

From: Thomas Mock [mailto:tmock@wlmattys.com]
Sent: Monday, June 07, 2010 11:13 AM
To: Russell W. Mills
Cc: 'J.R. Lacey'; Chandra L. Reeves; Jason Katz; Gerald P. Urbach
Subject: RE: Denton Lone Oak BK Reorg Plan

Russell:

Below is the requested information re: the owners submitting the bid for the interest in Denton Lone Oak Holdings, LP.

1. Rainier-Lacey Partnership, a Texas general partnership, consisting of Rainier Income & Growth Fund III, LLC & J. R. Lacey, or its designee will be bidding to purchase all of the ownership interests in the Debtor. The Rainier-Lacey Partnership is owned 50% by Rainier and 50% by Lacey, subject to certain priority rights to distributions as agreed by Rainier & Lacey.
2. Rainier currently owns a 10% direct interest in the Debtor (i.e., Denton Lone Oak Holdings, LP), subject to certain priority rights to distributions as described in the Amended & Restated Limited Partnership Agreement of Denton Lone Oak Holdings, LP. Lacey currently owns a 16% indirect interest in the Debtor through his 30% direct ownership interest in Teasley Partners, Ltd. and indirect ownership interest in Lone Oak Hospitality, Ltd., subject to certain priority rights to distributions as described in the Amended & Restated Limited Partnership Agreement of Denton Lone Oak Holdings, LP and the Limited Partnership Agreement of Lone Oak Hospitality, Ltd.
3. Rainier is currently a Class B Limited Partner in the Debtor. Lacey holds an indirect interest in Debtor as a Class A Limited Partner through his indirect ownership in Lone Oak Hospitality, Ltd. and direct ownership in Teasley Partners, Ltd.

This may be more info than you need, but I wanted to give you as complete a picture as I could re: the existing relationship to the Debtor of the owners of the bidder. If you have any questions or need any additional information, please call or email me.

Best Regards,

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